WEEKLY ECONOMIC REVIEW

August 8, 2008

In July, Alberta lost 6,800 jobs (-0.3%) compared to the previous month. This pushed the unemployment rate up 0.3 percentage points to 3.6%, still the lowest among provinces. Year-to-date, employment is up 3.0%, the strongest growth rate in Canada. Following a strong performance in the beginning of this year, Canada's job market is losing momentum as employment in July dropped 55,200 (-0.3%) from June. Despite the job loss, the national unemployment rate edged down 0.1 percentage points to 6.1% as many people, particularly youth, left the labour force.

In June, the value of building permits in Alberta fell by 7.5% from May. The drop in residential permits (-19.6%) more than offset the increase in non-residential permits (+3.6%), with the latter fuelled by a surge in the institutional and government sector (+113%). Year-to-date, building permits are down 7.4%. Building permits in Canada have also declined, slipping 5.3% from May as construction intentions decreased in both the residential and non-residential sectors.

The U.S. Federal Reserve Board held the federal funds target rate at 2% on Tuesday. The decision was in line with consensus expectations given the ongoing weakness in the U.S. economy and the highly uncertain inflation outlook.

Activity in the U.S. services sector contracted for the second straight month in July, albeit an improvement from the previous month. The U.S. Institute for Supply Management's non-manufacturing index rose from 48.2 in June to 49.5 in July, indicating that activity contracted slightly but at a slower pace than in June.

Cdn Dollar (US¢/CS)		
	August 8, 2008	93.7
	August 1, 2008	97.5
	2008-09 YTD	98.8
WTI Oil US$/bbl		
	August 7, 2008	$ 120.02
	July 31, 2008	$ 124.08
	2008-09 YTD	$ 125.98
Nymex Natural Gas CS/MMBtu *		
August Contract		
	August 8, 2008	$ 8.79
	August 1, 2008	$ 9.61

*Estimate based on Nymex Futures Market Price

Oil prices continued its descent as it dropped by US$4.06 from last Thursday to close at US$120.02/bbl. Closing prices reached US$118.58 on Wednesday, the lowest since early May, on concerns that an ailing U.S. economy will undermine energy demand. This morning, oil prices further retreated to around US$116 on the back of stronger U.S. dollar.

The Canadian dollar fell by almost 4 US cents from last week on today's weak employment data and the broad-based strength of the U.S. dollar.

Economic Indicators Released this Week	Reference Period	Month/Previous Month (M/M)	Month/Previous Year's Month(Y/Y)	Year-to-date[1]
Employment (000s) [2]	**July**			
Alberta	2,011	-0.3%	2.2%	3.0%
Canada	17,084	-0.3%	1.3%	1.9%
United States	137,615	0.0%	0.0%	0.3%
Building Permits ($ millions) [2]	**June**			
Alberta	1,194	-7.5%	-22.3%	-7.4%
Canada	6,318	-5.3%	-9.2%	0.6%

Source: Statistics Canada. [1]Year-to-date compared to the same period in the previous year. [2] Seasonally adjusted.